

From: Wayne Hedberg
To: TGallego, JBurns
Date: 7/3/97
Subject: Status Holnam Replacement Bonds (M/029/001, M/045/012)

On July 2, 1997, I called Susan Valentine of Holnam, Inc. (313-529-4224) to discuss the status of their recent request to provide replacement sureties for the Poverty Point and Devil's Slide Limestone Quarries. Susan placed a conference call to Virginia Townsend (Johnson & Higgins - 313-393-6866) who is the broker arranging the replacement sureties for Holnam.

I informed Susan and Virginia that we could not perform a simple escalation of their existing surety calculations because both operations were due for a total bond reevaluation. This evaluation would require an onsite inspection prior to recalculation of the surety estimate. I stated that we could not perform an inspection of these sites and recalculate the surety amounts before the end of July.

Ms. Townsend stated that on June 4, 1997, they sent us a 90-day cancellation notice for one of the existing bonds (she wasn't sure which mine). I asked her if they had sent it to our old Triad address **again**, because we had not seen the letter yet. She confirmed they had sent the letter to our old address. I gave her our new address and asked that they send another notice (or a copy of June 4th notice) directly to me.

Virginia stated that the June 4th cancellation notice(s) would give us until around the end of September before the new surety bond would need to be in place. This should give us plenty of time to inspect the sites and recalculate the surety estimates (preferably within the next 30-45 days).

A COPY OF THIS EMAIL NOTE WILL BE COPIED TO THE MINE FILES FOR FUTURE REFERENCE.

M/029/001 (DEVILS SLIDE QUARRY)
M/045/012 (POVERTY POINT QUARRY)

CC: MWright